

ROUTING AND RECORD SHEET

INSTRUCTIONS: Use officer designations in the "TO" column. Number each comment to correspond with the number in the "TO" column. Draw a line across the sheet under each comment. Each officer should date and initial (check mark insufficient) before further routing. This Routing and Record sheet should NOT be removed from the attached RECORD document.

FROM: RI/ <b>RI/AN</b>				DOCUMENT NUMBER EGOA-01552	
				DOCUMENT DATE	
TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		RECEIVED	FORWARDED		
1.	EE/G/K/2006	30 OCT 1958		TW	<p>NOTE: If a copy or attachments are removed from the attached document, note the location of the copy and/or attachment hereon. If this <u>RECORD COPY</u> is to be retained in the files at the Desk, call the Central File Section for permanent loan.</p> <p>1-2: While you have to keep this in mind and while we have to address ourselves to the points made, this does <u>not</u> affect the line to be followed in your draft, as discussed between us.</p> <p>Copy sent to [ ] via C/EE/G.</p> <p>leg - LCCASSOCK/3 leg - " /1</p> <p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHOD EXEMPTION 2020 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007</p> <p>FILE TITLE <b>LCC ASSOCK/Dm + Plans.</b></p> <p>FILE NUMBER 32E 126 24/1</p> <p>ENCLOSURE</p> <p>ABSTRACT <input checked="" type="checkbox"/></p> <p>DATE PROCESSED <b>16 Oct 1958</b></p> <p>1691 INDEX</p>
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<b>DISPATCH</b> AIR		CLASSIFICATION <b>SECRET</b>	DISPATCH SYMBOL AND NO. EGOA 1552
TO Chief, EE INFO BOB		HEADQUARTERS FILE NO. 32E-126-0024	
FROM Chief of Station, Germany		DATE 16 October 1958	
SUBJECT Operational/CADORY LCCASSOCK Project		RE: "43-3" - (CHECK "X" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED	
ACTION REQUIRED See Para 6		<input type="checkbox"/> INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	

## REFERENCE(S)

- A. EGBA 52531, 18 Sept 58  
B. EGBA 52315, 15 Sept 58
- 7. Lccassock/*  
*8. " "*

LCCASSOCK COMMENT

1. We have examined with sympathetic interest Berlin's detailed exposition of LCCASSOCK as set forth in referenced dispatches. Before taking up individual points, we would like to state in general that we approve of the shape and tendency of the projected operational program. At the same time we must state that we have some reservations concerning the financial breakdown.

2. Our general view of the importance of LCCASSOCK in our Eastern KUCAGE effort has not changed from that expressed in EGOA 58115, dated 22 April 1958. We feel that the reduction in number of publications with its corollary saving of time and money permits the production of the project to develop along lines stated in BOB's general premise and with which we are all probably in agreement. We also share the view that the commercialization of Identity-1 can serve a useful subsidiary purpose. We note that Headquarters has given a green light to this experiment, so long as it does not interfere with budgetary and priority operational requirements. We believe that this point is very well taken and hope that the soberly optimistic estimates of diminishing costs contained in Reference B will be borne out in fact. The figures on the most recent sales (BOBA 52951, 3 Oct 58) are moderately encouraging and we do not feel that we should be particularly surprised or disappointed that progress has been slow and difficult. We feel in short that it is too early to draw any kind of firm conclusion as to the success of this venture and that we probably will not be able to do so for a few more months. We shall continue to watch for indications of LCCASSOCK effectiveness within non-German areas of the Soviet block. It is certainly reasonable to suppose that there is a general need for non-Communist German-language material in that area.

3. Finally, we remain committed to the view that attempts should be made to associate HBCROPING in a joint financial and managerial responsibility for the project. Recent statements by [ ] to [ ] (see BOM 7626, dated 15 Oct 58) indicate that CAWASH may now be receptive to this general concept. Needless to say, the final shape of the project will not become clear until we know to what extent and under what conditions HBCROPING will participate.

COSTS/ORGANIZATIONAL PROBLEMS

4. Having delivered ourselves of the above general comments we would now like to take up a few specific reservations with regard to the cost breakdown and organizational problems. We take note of BOB's general statements on the subject of reduction of administrative and organizational costs (Reference A, Attachment C, paras 2a, 3a and 3b). With new budgetary restrictions already in force and others possibly to be considered at a future date we urge that BOB give these problems close attention. In this respect we would like to point out that Berlin lists as

/of now twenty-nine

CONCUR: [ ]

APPROVED: [ ]

CONTINUATION OF DISPATCH	AIR	CLASSIFICATION	DISPATCH SYMBOL AND NO.
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of now twenty-nine full-time employees and two regular part-time contributors. This is the same number as were employed in 1956 (see EGOA 88021, 8 April 1957) and four more than the number of full-time employees listed at the end of 1957 (EGOA 16578, 16 Dec 57). Both the absolute amount and relative proportion of project funds earmarked for salaries have substantially increased. To cite again EGOA 88021, in 1956 we spent DM 153,000 for salaries (excluding distributors) out of a total budget of DM 634,000 - or roughly 24%. The figure for FY 1959 has ~~risen~~ risen to DM 219,000 out of a budget reduced to DM ~~634,000~~ ~~634,000~~. Admittedly these figures do not cover exactly the same expenses and we realize that wages have generally risen. Nonetheless it seems to us that, without seriously affecting the EGOA core, it must be possible, and is probably essential, to effect some reduction in personnel. BOB can best judge which bodies are dispensable.

5. Another item which arouses particular interest is the sum projected for travel, public relations and entertainment. This is now estimated at DM 140,000 for FY 1959 - just under twice as much as 1956 - and with a greatly reduced overall budget. The figure of DM 45,000 for outside printing represents something less than a fifth of the total budget. Both of these items probably reflect in part needs arising out of the commercialization of Identity-1. Both should be viewed critically with an eye to reduction. The Reference B suggestion of an extra printing press for Identity-1 is not of course intended to be considered at the present time. In connection with possible savings on Identity-1, we wonder whether it is not desirable to reduce substantially the number of Identity-1 copies until the commercial demand has proportionally increased.

#### RECOMMENDATIONS:

6. From the above analysis it would appear that Berlin should make further efforts to reduce personnel and overhead expenditures. Nonetheless, we strongly urge Headquarters to process this project for renewal on the basis of BOB's presentation. The revised product as conceived in this program appears to meet the desires of all. Furthermore the project is about to enter a new and involved stage - namely the negotiations which we hope shortly to undertake with AEGROPING. Especially in light of this aspect it seems to us essential that, with past controversies now largely out of the way, further drastic changes be avoided. We believe that the hard core of this project constitutes a valuable contribution to the Cold War effort and should be permitted an assured basis for continuation during this interim period.

#### Distribution:

- 3 - DE, w/Identity-1 (USC)
- 2 - BOB, w/Identity-1 (USC)

FORM 53c 10-57 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION	<input type="checkbox"/>	CONTINUED	PAGE NO.
		S E C R E T			

32E-126-241

IDENTITY

Identity-1 .....Schlagzeug

Distribution:

- 3 - LE
- 2 - BOB